

Kingdom Telephone Company

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August 21, 1998

Magalie Roman Salas
Secretary
Federal Communications Commission
1919 M Street, NW Room 222
Washington, DC 20554

Dear Ms. Salas:

Enclosed are the original and sixteen (16) copies of the comments of Kingdom Telephone Company in response to the Commission's Notice of Proposed Rulemaking in CC Docket No. 98-77.

Also enclosed is one copy of our comments to be stamped and returned in the enclosed self-addressed, stamped envelope.

Any questions regarding this filing may be directed at me at (573) 386-2241.

Sincerely,



Tom Blevins
General Manager

cc: Competitive Pricing Division
Common Carrier Bureau
Room 518
1919 M Street N.W.
Washington, DC 20554

International Transcription Service
1231 20th Street NW
Washington, DC 20036

Enc.

Enclosed rec'd 0416
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Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

In the Matter of)
Access Charge Reform for Incumbent) CC Docket No. 98-77
Local Exchange Carriers Subject to)
Rate-of-Return Regulation)

Comments of Kingdom Telephone Co

Kingdom Telephone Co is a small rural local exchange carrier serving 4,900 access lines in the state of Missouri. These comments focus on the impact of certain proposals included in the Notice of Proposed Rulemaking (NPRM) for access reform for rate-of-return incumbent local exchange carriers.

Specifically, we oppose the proposed rule change to allocate a portion of the General Support Facilities to the Billing and Collection category. Small LECs have very little opportunity to reduce billing & collection costs. Other rule changes over the years have tended to allocate more and more cost to the interstate billing and collection category to the point that many small companies can no longer make a profit on the service. This proposed change to the Part 69 allocation rules will provide many small LECs with the unintended incentive to terminate Billing & Collection agreements with IXC's.

In 1996 Kingdom Telephone Co had \$36,153 revenue for the interstate billing and collection service compared to a cost of \$36,736 resulting in a loss of \$583 before the

OB&C change and the proposed GSF change. The change in OB&C rules applied to the 1996 costs results in an interstate billing and collection cost of \$49,869 which increases the loss on the service to \$13,716. Taking this analysis the next step and folding in the proposed GSF change results in a cost assigned to interstate billing and collection of \$65,869, increasing the loss on the service to \$29,716.

We ask the Commission to reject the proposed change which would jeopardize the billing and collection service currently provided to interexchange carriers.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Tom Blevins", with a long horizontal flourish extending to the right.

Tom Blevins
General Manager
Kingdom Telephone Co.